



**Itaúsa's International Conference Call About the
2007 Earnings Results
February 22, 2008**

Operator: Ladies and gentlemen, thank you for standing by. This is Itaúsa's conference call. At this time all lines are in a listen-only mode. Later there will be a question and answer session and instructions to participate will be given at that time. If you should require assistance during the call, please press the star key (*) followed by zero (*0). As a reminder, this conference is being recorded.

At this time I would like to turn the conference over to Ms. Daniela Ueda of Financial Investor Relations Brasil. Please, go ahead.

Ms. Daniela Ueda: Good morning, ladies and gentlemen, and welcome to Itaúsa's conference call to discuss the 2007 earnings.

I would like to remind you that this conference call is being broadcast live on Itaúsa's investor relations website www.itausa.com.br. A slide presentation is also available on that site.

Before proceeding let me mention that forward-looking statements are being made under the safe harbor of the Securities Litigation Reform Act of 1996. Actual performance could differ materially from those anticipated in any forward-looking comments as a result of macroeconomic conditions, market risks, and other factors.

With us today in São Paulo are Investor Relations Officers Henri Penchas, for Itaúsa; Alfredo Egydio Setubal, for Banco Itaú Holding Financeira; Plínio do Amaral Pinheiro, for Duratex; Reinaldo Rubbi, for Elekeiroz, and Ricardo Egydio Setubal, for Itaotec.

First, Mr. Henri Penchas will comment on the 2007 results. Afterwards, management will be available for a question and answer session. It is now my pleasure to turn the call over to Mr. Penchas.

Mr. Henri Penchas: Good morning. We are beginning now the conference call about the results of Itaúsa from 2007. I will speak a little bit about the results of the conglomerate. After that, my colleagues Investor Relations Directors of Banco Itaú, of Duratex, of Elekeiroz and of Itaotec will explain their companies and after that for the closing I will speak a little bit about the performance of Itaúsa. So, let us begin.

Slide number 2, the liquidity of the company and the debt index of the company. Nothing changed, the company remains very, very liquid and almost without any debt.

Slide number 3, where we can see that 94% of the liabilities are the own resources of the company, the net worth, and that as third-party resources more than 95% represent the dividends to be paid to the shareholders.

Moving to slide number 4, you can see the evolution of the net income of the conglomerate, the recurring and the non-recurring net income with a compound annual growth rate of 25.2%.

Slide number 5, where we show that we are keeping the policy of paying to our shareholders more than the dividends or interest on capital received from Banco Itaú Holding Financeira, so we have in blue what we paid and in red the number that we received from Itaú Holding Financeira.

Next slide, slide number 6. From the total dividend showing the capital increase by cash that we have year by year and showing that the compound annual growth rate of the net dividends is 31.2%.

The dividend yield, slide number 7, considering and not considering the capital increase, the dividend yield of Itaúsa is higher than the dividend yield of Banco Itaú Holding Financeira.

Slide number 9, some highlights of the conglomerate. The year 2007 was a very, very important year for us because it was a year where we had the highest net income of all the companies. Banco Itaú had a record net income, the same thing happened with Itaútec, with Elekeiroz and with Duratex. So in that slide you can see the growth of the total assets, the growth of stockholders' equity and the growth of net income of all the main companies of the conglomerate. I will turn now to my colleague Alfredo Setubal to speak about Banco Itaú Holding Financeira.

Mr. Alfredo Setubal: Good morning, still highlights about our results for last year. The first one is the record net income that we had not only for the bank, but for the whole history of the financial system in Brazil. The final number of almost R\$ 8.5 billion with a growth of 96% over the previous year. This result includes all the sales of stake that we had in the last year of companies that went to the stock market, so the final recurring number of our activities would be R\$ 7.2 billion that compares to R\$ 6.2 billion of the year 2006, so our recurring result increased by 20% year-over-year. The final stockholders' equity almost R\$ 29 billion, with a return on equity of 32.1%, a very high number and a very good number for the return.

In terms of solvency ratio we continue to have very high numbers, we finished with 17.9%, what gives us room to increase our credit portfolio and also consider acquisitions that appear, some opportunities for the bank.

Efficiency ratio continues to decrease, we finished the year of 2007 with 46.2%, lower than the previous year and a very good number considering our situation here in Brazil.

We continue to increase our number of branches of the bank, we finished with 2,764 branches, with an increase of more than 130 branches when we compare to the year of 2006. Continued the expansion of our branch network as we did in the previous three years. And this year we will continue in this policy of opening new branches for the bank and we finished with a total number of clients of almost 24 million clients.

The next page, slide 11, we are going to talk about the credit portfolio. The total credit portfolio increased in the last quarter of the year, 11.9%, and the whole year 36.2% because of the growth of the individuals, especially in terms of vehicles, the individual credit increased last year 35%, and vehicles increased 64.4%.

In terms of company loans, the growth of 23.6% especially concentrated in the last quarter when we saw the number for corporate, for large companies in Brazil, the growth alone in the last quarter of 2007 was 14.4%.

In slide 12 you can see that the non-performing loans ratio decreased to 4.4%. It was the fifth year in a row that this non-performing ratio decreased and also decreased for both, individuals that finished with 6.9% and companies – small, medium and corporate, large companies – 1.6%. Our coverage ratio continues to be very comfortable and we are very confident that this trend will continue this year.

Some forecasts for the year of 2008. We continue to believe that the credit and the environment for credit will continue to be good in Brazil, so we expect the individuals credit portfolio – that includes consumer credit and also vehicles – will increase by 30%, mainly in vehicles the growth will continue to be very high.

In terms of credit for companies we believe that we can increase especially in middle-market and small companies 25% in our portfolio. Service fees our expectation is a growth of 8%, even considering the restrictions of the Central Bank's new regulation released last year that will be in place from April.

Efficiency ratio, we continue to believe that we can remain in the level of 46% that will be a very good level for this number.

And in terms of delinquency ratio we believe that the environment for credit in Brazil will continue to be good and we expect the level to remain around the same level that we had last year. I will give the word now to Plínio Pinheiro that will talk about Duratex.

Mr. Plínio Pinheiro: Good morning everyone. Duratex had a very good year in 2007. We achieved the record of performance and in the slide number 14 I will give you highlights about the Deca Division, where we produce metal fittings and vitreous china for kitchens and bathrooms and this division represents around one-third of the total sales of Duratex.

We increased the shipped volumes by 11% year-over-year. Net revenues increased 17%, reaching R\$ 566 million. The gross margin increased from 38% in 2006 to 41% in 2007. EBITDA grew 43%, reaching R\$ 148 million in 2007 and the EBITDA margin improved from 21% to 26% and we received the IF Design Award in the Hannover Fair for our line "Contemporânea". It is a special vitreous china line.

In the wood division, that represents 2/3 of the total sales, the highlights are: first the improvement in the shipped volumes by 7%. Net revenues increased 10%, reaching R\$ 1.104 billion. The gross margin improved from 46% to 47%. EBITDA improved 16% to R\$ 410 million and the EBITDA margin improved from 35% to 37% and we received the award from the Getúlio Vargas Foundation, the very important economic institute in Brazil, the best company in the wood area.

We are in the middle of the implementation of a huge investment plan in the total amount of R\$ 850 million, the announcement was released in March 2006 and we believe that by 2009 all the investments will be implemented.

The highlights in terms of this program are: first the MDF, the new MDF plant which capacity is 800,000 cubic meters per year – it means an increase of more than 100% over the existing capacity. The startup is probably in the middle of 2009, in the middle of 2008 we will start up the new low-pressure coating line that will add value to our products – the capacity is 8.5 million square meters per year – and we are buying land by 20,000 hectares to support the new capacity in the wood division.

The Deca Division is receiving around R\$ 200 million and basically to increase the capacity by 400,000 items/month in the metal fittings – it represents around 33%. In the vitreous china we will increase the capacity by 140,000 items/month – that represents 44%.

And in terms of corporative area, we are implementing a new ERP system from SAP and we will be ready by the second half of 2009.

Slide number 17, we show you some ratios and some improvements in performance since 2004. We can see that we improved the gross margin, in 2004 it was 39%, in 2007 45%, and the CAGR about 12% in the growth of net revenues during this period. The EBITDA margin grows from 27% in 2004 reaching 33.4% in 2007 and the EBITDA the compound average growth about 20% during this period. Net income from R\$ 125 million in 2004 to R\$ 319

million in 2007, 37% compound annual growth and the return on equity reached around 21.5% in 2007 from 13% in 2004.

Slide number 18, the market capitalization of Duratex increased from US\$ 173 million in 2002 and reached US\$ 3.172 billion by the end of 2007 and the improvement in the liquidity of the shares allows us to return to the Bovespa index and the IBrX50 index. During this period, 2002 to 2007, we took a lot of steps in terms of improving the corporate governance measures, such as providing 8% Tag-along rights to the PN shares in 2002. We decided to guarantee a minimum of 30% payout since 2004. We are listed in the Bovespa Level 1 of governance practices since 2005 and, as I explained, we are now back to the Ibovespa index and IBrX50. Now, Mr. Ricardo Setubal will speak about Itautec. Thank you.

Mr. Ricardo Setubal: Good morning everybody. We are going to start our presentation with slide 19. 322,000 units of desktops and notebooks were sold in 2007, a volume 6% higher than that in 2006. This performance reflects some expansion in consumer credit, a decrease in average price of equipment and the appreciation of 17.1% of the real against the U.S. dollar.

As to the automation area, we would particularly point out the growth of 50% in the numbers of ATMs sold, the result of successful tender bid amounts to 6.8 thousand units.

Net revenues from sales and services in 2007 reached R\$ 1.524 billion, equivalent to a growth of 3.9% compared with that in 2006.

Gross margin was 20.3% against 19.2% in 2006. This was the reflex of a better sales mix with a higher share of notebooks and revenues from the service area.

Accumulated EBITDA for the year was R\$ 118.9 million, a year-on-year increase of 70% resulting in an EBITDA margin of 7.8% against 4.8% in 2006. This performance reflects a reduction in the operating expenses in the range of more than R\$ 19 million.

Net income was R\$ 106 million, 100% up in 2006. The sales of Itautec's 50% participation in Camargo Corrêa worth R\$ 38.7 million, also contributed to this result as did the results from the sale of Tatuapé site in the city of Sao Paulo.

Slide 20. During the year the Itautec Distribution companies in Brazil, Argentina and Ecuador were merged. We installed companies and then placed under the same managerial structure. As a result, common strategy has been established and the use of the resources optimized.

Investment in R&D resulted in the launch of international standard complying products to meet the requirements of environmental responsibility, as well as

those of people with special needs. The objective here is to further boost our export performance.

Together with Itautec investment in innovation and design came some important acknowledgments. Among these was the IF Design Awards, an annual event in Hannover, Germany. At the 2007 Trade Fair and Congress the company was awarded with the KLAVYT Keyboard Operator Prize, as shown in the slide – a new product line, the retail automation.

Slide 21. According to the capital expenditure plan, R\$ 117 million was invested and allocated as follows: R\$ 53 million in development of technology; R\$ 53 million in operational fixed assets, notably to the construction of the new desktop and notebook, ATM and lockbox plant in Jundiaí, responsible for R\$ 30.8 million in capital expenditure and R\$ 11 million for equipment leased to clients.

In September 2007, the move of the areas occupying Tatuapé site was concluded. The desktop, notebook, ATM and lockbox plant, laboratories and engineering areas were all of them transferred to the new Jundiaí site. The administrative software, commercial, service operation were then moved to the installation facility in the city of São Paulo.

In 2007 the company drew down the first tranche of a credit line signed in July 2007 before BNDES for R\$ 107 million, part of a total of R\$ 142 million amount approved. The financing covered projects for the company's internationalization and the transfer of production line to the Jundiaí industrial district. Funds will also be used to increase installed capacity and working capital requirements for expansion, as well as investments in research and development of innovative products in continuous upgrade of some products and processes. Itautec was placed second in Fiesp's Environmental Merit Prize.

Now slide number 22. The net sales, EBITDA and shareholders' equity in the graph exclude discontinued operations, Philco and Component areas. In the net sales & gross margin graph, net revenues from sales and services for 2007 reached R\$ 1.524 billion, an annualized growth based on the compound annual growth rate of 18.9% compared with that in 2004. Gross margin was 20.3% against 19.2% in 2006.

EBITDA and EBITDA margin – 2007 EBITDA was R\$ 118.9 million, R\$ 49 million higher than 2006 with a CAGR of 14.7% compared with that in 2004. EBITDA margin reached 7.8%. Net income graphs – net income for 2007 was R\$ 100.6 million, equivalent to a CAGR of 64.7% compared with that in 2004.

The last two fiscal years have important non-recurring results due to the sales of Tatuapé property in the city of São Paulo. This amount was recognized in

the financial statements as a non-operating result. Recurring net income in 2007 was R\$ 61.9 million, 64.6% higher than in 2006.

Shareholders' equity and ROE – shareholders' equity at the end of 2007 was R\$ 423.1 million, standing for a return on equity of 25.2%. CAGR increased 15% in the period. With this we conclude Itautec's results and I would like now to invite Mr. Reinaldo Rubbi to make the presentation of Elekeiroz. Thank you.

Mr. Reinaldo Rubbi: Thank you Ricardo, good morning for everyone. We are going to talk about the slide 23, about the scenario where the petrochemicals business developed last year. The world demand for petrochemicals, due to the economic growth of China, remained high and growing and allowed to good margins despite the peak of the oil price that reached US\$ 100 per barrel at the end of the period.

The Brazilian demand for chemicals followed the world performance and grew 8.7%. On the other side, the local production only grew 1.6% due to the absence of new capacity coming into the market and so the imports grew 57% and the trade balance for the industry was negative in US\$ 13.3 billion. This trade deficit, this specific trade deficit is a huge opportunity for new investments in this area in the country. The company took advantage on this comfortable scenario and delivered 520,000 of metric tons, growing 11%.

With this strong growth, despite the debottlenecking measures adopted the capacity utilization of the plants reached 89%, which is a very good standard for the industry and as a direct consequence of that the company had an important improvement on its profitability. Continuing this strategy of focusing in businesses of higher growth opportunities and higher profitability the company shut down the production of carbon disulfide and sold the remaining installations of the previous year sold site of Taubaté. During the year the company started some strategic studies regarding the production of a “green” butanol, employing etanol from sugarcane as raw material and its own technology.

On slide 24 I will make some comments about the families of products. We divided our business in two families: organic chemicals and inorganic. On organic chemicals we had + 8% of the deliveries, reaching 254,000 metric tons and this represents about 49% of the total deliveries of the company. We increased by 17% the net sales, reaching R\$ 783.3 million, which means 9% of the total net sales of the company.

The increase on the exports was around 15% and we should point out that we export to more than 30 countries in the world, reaching R\$ 163 million or 21% of the net sales.

The EBITDA grew 103%, reaching R\$ 105.3 million, which means 82% of the total EBITDA of the company. Those strong results were obtained despite the

increase of 20% on the nafta prices from where we got all our raw materials for the organic projects.

We should point out also the strong position of the company in Brazil and South America in special chemicals derived to coating and plasticizer business and the company also has a very good differentiation that is very important for the business in the future, once it is the only integrated producer of plasticizers in South America and also the only producer of 2-ethylhexanol and 2-ethylhexanoic acid.

Inorganics. The deliveries grew 14%, reaching 266,000 metric tons. The sales, the net sales, increased by 70% reaching R\$ 87.3 million. The EBITDA reached, increased by 736% reaching R\$ 23.6 million and the EBITDA margin reached 27%. We would like to point out in the inorganic business that it is responsible by the co-generation of the electric power in the site of Várzea Paulista and the co-generation answered for 75% of the total requirements of the site.

I would like also to go to slide 26, where the graphics show some of our financial performance during the years. For the first time the company surpassed R\$ 1 billion of gross revenues and the gross revenues grew 21%. The net sales, R\$ 870 million, also grew 21% and the gross margin returned to the level of 22.9%. After two years, 2005 and 2006 we underperformed under the level of 20%, which is the desired one, due to unexpected problems arising from a heavy maintenance program introduced in 2005.

The compound growth rate of the net sales from 2002 up to 2007 was 20% per annum. The net profit was a record of the six years, reaching R\$ 71.5 million, + 14% per annum since 2002 and also the ROE was a very good one, reaching 19.8% over the net equity. The EBITDA, with R\$ 128.9 million, showed a compound growth rate of 15% per annum in the period, reaching 14.8% of the net sales. I will finish my presentation now and call Mr. Penchas to conclude the explanation.

Mr. Penchas: Thank you Reinaldo, let us go to the final part of our presentation, slide 28, where you can see the evolution of the net income of the parent company and of the minorities and the total net income with a compound annual growth rate of 25.2%.

Slide 29 is the parent company, where you can see the evolution of the participation of the industrial area in the net income of the parent company, evolution from 5.1% to 7.5%. Both companies with high increase, Duratex, Elekeiroz and Itaotec.

Page 30 showing the evolution of the stockholders' equity and net income, the dividends paid to the shareholders and the small capital increase in the last five years.

Page 32, corporate governance. We are very proud for being selected for the fourth time as a component of the Dow Jones Sustainability Index and in this new index edition Itaú obtained the highest score in the following items: anti-crime policy, human capital development and talent attraction and retention.

The liquidity of the share in number of trades and in volume, financial volume, increased very, very much over the last years mainly in 2007, as you can see on slide 33.

The discount of the share in the price of Itaúsa in comparison with the sum of the parts was at 31 December 2007 23.9%, as you can see on slide 34.

Slide 35 the same thing, just showing per semester, where we can see that in the first semester of 2007, June, the discount was 19.7%.

Slide 36 showing the annual average appreciation in dollar of the shares of Itaúsa in comparison with the Ibovespa index, where you can see the high performance of our company in the last ten years and five years in comparison with Ibovespa.

And finally slide 37, what we believe and of what is the way that we create stockholders' value: by dissemination of our organizational culture. With prioritization of human capital. With operational autonomy of the companies. Leadership in the businesses where we are. With a brand internationalization of our companies. The capital structure and the sound investments that we had. Now we are open to the questions you may have. Thank you.

Mr. Penchas: Just to thank to the people that were hearing us and as always we are open, by e-mail or through the phone, for the questions you may have. Thank you.

Operator: That does conclude Itaúsa's 2007 earnings conference for today. Thank you very much for your participation. You may now disconnect.